



State of Washington
PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 • (360) 753-1111 • FAX (360) 753-1112
Toll Free 1-877-601-2828 • E-mail: pdcc@pdcc.wa.gov • Website: www.pdca.wa.gov

4:30 p.m.
June 23, 2005

MINUTES – SPECIAL MEETING

Evergreen Plaza Bldg. Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Michael Connelly, Chair
Jane Noland, Member
Bill Brumsickle, Member
Ken Schellberg, Member

STAFF PRESENT

Vicki Rippie, Executive Director
Doug Ellis, Acting Assistant Director
Michael Smith, Chief Technology Officer
Nancy Krier, Senior Counsel
Linda Dalton, Sr. Asst. Attorney General
John Lane, Asst. Attorney General
Jennifer Hansen, Acting Secretary

The special meeting of the Public Disclosure Commission was called to order by Commission Chair Michael Connelly at 4:00 p.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

Enforcement Matter

Report

PDC Case 04-445

TME Capital Group, LLC
Elling Halvorson
Catherine Boshaw
Doug Edlund
John Taylor
Lon Halvorson
Kent Halvorson
Tim Teteak
David Chevalier

Assistant Attorney General John Lane, representing PDC staff, summarized the staff report to the Commission. Mr. E. Lane said TME Capital Group, LLC and its investors:

- Failed to timely register and report as a political committee in violation of RCW 42.17.040 through RCW 42.17.090.
- Made expenditures in a manner so as to conceal the identity of the sources of the contributions in violation of RCW 42.17.120

Environmental Materials
Transport, LLC
Hank Hopkins

- Made reportable contributions exceeding \$5,000 within 21 days of the 2001 general election in violations of RCW 42.17.105(8).
- Reimbursed contributions made to a political committee in violation of RCW 42.17.780.

Mr. Lane said that, with respect to Environmental Materials Transport, LLC (EMT) and Mr. Hank Hopkins, they failed to timely register and report as a political committee in violation of RCW 42.17.040 and accepted reportable contributions exceeding \$5,000 within 21 days of the 2001 general election in violation of RCW 42.17.105(8).

Mr. Lane said this case is a continuation of a previous case which has been referred to the Attorney General's Office. He said the report before the Commission concerns activity that happened in 2001 when TME and its investors and EMT and Hank Hopkins were supporting candidates for the Des Moines City Council.

Mr. Lane asked the Commission to accept staff's recommendation and report multiple apparent violations of RCW 42.17 by TME and its investors and EMT and Hank Hopkins to the Office of the Attorney General with the recommendation to institute legal proceedings.

Mr. C. James Frush, counsel for TME and its investors, presented arguments against a Commission referral to the Office of the Attorney General.

Deliberations

Commission retired for deliberations on PDC Case No. 04-445 at approximately 5:30 p.m.

Public Session

The Commission returned from deliberations at 6:10 p.m.

Chair Connelly stated that the evidence, in his opinion, clearly establishes apparent violations in all of the particulars. He said the entities acted as political committees, they made contributions to influence elections, they acted in a manner that would conceal the true source of the funds, they reimbursed political contributions and they accepted and made contributions within the 21 day period.

Connelly said the purpose of the Public Disclosure Commission and the laws administered by the Commission is to provide transparency in the political process so that when people vote for someone they know where the money came from and what the interests the parties giving the money have. In this case, the transparency was clouded considerably by the various structures and machinations.

Motion 05-106

Moved by Commissioner Noland, seconded by Commissioner Brumsickle:

The Commission report

- 1) Multiple apparent violations of RCW 42.17.040 through RCW 42.17.090, RCW 42.17.120, RCW 42.17.105(8) and RCW 42.17.780 by TME and its investors Elling Halvorson, Catherine Boshaw, Doug Edlund, John Taylor, Lon Halverson, E. Kent Halvorson, Tim Teteak and David Chevalier, and**
- 2) Multiple apparent violations of RCW 42.17.040 through RCW 42.17.090 and RCW 42.17.105(8) by Environmental Materials Transport, LLC and Hank Hopkins**

to the Office of the Attorney General with the recommendation that legal proceedings be initiated. The Commission asked that if any of the claims are not pursued by the Attorney General's Office, that those claims be returned to the Public Disclosure Commission for further action.

The motion passed unanimously.

Executive Session

The Commission went into executive session at 6:15 p.m. to discuss pending and potential litigation with legal counsel.

Public Session

The Commission returned to public session at 6:40 p.m.

Chair Connelly stated the Commission had just been apprised of the court case *San Juan County, et al., v. No New Gas Tax, et al.*, and that Public Disclosure

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Commission legal counsel will attend the hearing and report back to the Commission. Connelly said if the Commission has to take further action it will do so at a subsequent meeting.

Adjournment

Chair Connelly adjourned the meeting at 6:45 p.m. The next meeting is the Commission Retreat scheduled for Tuesday, July 26, 2005.

Approved by the Commission 9/15/05